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Department of Health and Family Services

M E M O R A N D U M

DATE: September 8, 2006

TO: LTC Planning Consortia Leads

FROM: Judith E. Frye, Associate Administrator for Long-Term Support
Division of Disability and Elder Services

SUBJECT: Current and Future Funding of the Reformed LTC System

We are making available information recently shared with the Wisconsin County Human Services Association (WCHSA) Board of Directors regarding the funding of the reformed long-term care system. The attached table presents information related to home and community-based waiver program participation (Column B) in December, 2005, and is a follow-up to Secretary Nelson's May 17, 2006, letter to WCHSA President Gerald Huber. Also displayed in this table are the size of the wait list (C), 2005 COP and waiver program costs (E), and total 2005 expenditures for both the waiver and wait list enrollment groups (F). Note that this latter column includes the cost of primary, acute, and long-term care Medicaid card services in addition to home and community-based service costs.

Column G represents the determination of the 2005 county contribution to the long-term care system, based on the methodology in Secretary Nelson's May 17 letter, which uses information obtained from the Human Services Reporting System (HSRS) and our year-end reconciliation process. These figures have been updated from earlier versions to remove costs associated with children and mental health and to include the county monies used to fund Targeted Case Management services. Note that the proposed county contribution includes both Community Aids and local tax levy as those amounts cannot be broken out separately. The next column (H) indicates what proportion of COP and waiver services each county is funding (Column E), with the statewide average at 16.3%.

The remaining columns in this table show projections of the CMO benefit expenditures that will result from the statewide expansion of Family Care. These projections are taken from the Family Care cost model which takes into account target group differences, regional cost differences, and acuity differences for all potential enrollees across the state. The Department projects that roughly 40,000 additional persons will enroll in the program (including the 32,275 in Column D and an additional 8,000 persons) with final enrollment reached in 2015. The ramp-up schedule is

based on a preliminary assessment of the progress being made by each of the local planning consortia.

Column I shows the total program cost expressed in 2005 dollars, at full enrollment including the 32,000 people currently served and the additional 8,000 persons, before any inflationary adjustments. Column J shows the proportion of that cost that is associated with the current county contribution in Column G (7.1%).

Detailed cost forecasts have been made through 2015 by projecting an annual 3% growth rate in Family Care costs. These estimates are shown in Column K. Note that the anticipated county contribution in 2015 remains the same as in 2005, roughly \$95.7 million. At full program maturity, the county contribution drops to a lower proportion, 5.7%, of the program's cost. (See Column K, which, like columns F and I, includes the primary, acute, and long-term care Medicaid card service costs for all enrollees).

Many county representatives have asked whether an individual county's contribution to the expanded program might contribute to the cost of providing long-term care to persons residing in other counties. The table demonstrates that one county's funding would not be used for any other county's residents because each county's share of the total program cost never approaches the full non-federal share, approximately 42%, of that cost.

The Department is committed to not increasing the proposed county contribution. While the anticipated county contribution will not grow, the State will continue to reallocate its current resources, increasing its commitment to long-term care services and emphasizing community-based services. The number of persons served (e.g., persons currently on the wait list for services) and other funding sources are anticipated to grow over time. A constant amount of county funding leverages an increasing amount of state and federal funds over time. As a result, as shown in the attached table, the counties' share of total expenditures will decrease from over 7% to less than 6%.

County Contributions Relative to LTC Program Costs, Current and Projected

(A)	(B)	(C)	(D)		(E)	(F)		(G)		(H)		(I)	(J)		(K)	(L)
County	12/05 Waiver Count	Wait List Count	Total Persons		2005 Waiver Expenditures	Total 2005 Expenditures for Waiver & WL People		Proposed County Contribution		County/ Current Waiver Total		Expenditures for Family Care Enrollees, in 2005 Dollars	County/ 2005 Expenditures		Expenditures for Family Care Enrollees, in 2015 Dollars	County/ 2015 Expenditures
Adams	132	92	224		\$ 1,775,505	\$ 4,731,946		\$ 41,412		2.3%		\$ 4,698,273	0.9%		\$ 5,816,006	0.7%
Ashland	127	141	268		\$ 3,481,615	\$ 6,026,252		\$ 377,273		10.8%		\$ 7,948,422	4.7%		\$ 9,870,531	3.8%
Barron	247	160	407		\$ 5,893,068	\$ 10,494,413		\$ 639,130		10.8%		\$ 21,130,798	3.0%		\$ 26,317,057	2.4%
Bayfield	140	48	188		\$ 3,812,974	\$ 6,039,601		\$ 774,853		20.3%		\$ 5,822,638	13.3%		\$ 7,189,467	10.8%
Brown	1,156	568	1,724		\$ 30,303,500	\$ 46,165,165		\$ 4,828,431		15.9%		\$ 57,177,062	8.4%		\$ 70,937,690	6.8%
Buffalo	100	33	133		\$ 1,910,532	\$ 3,277,027		\$ 145,292		7.6%		\$ 4,594,052	3.2%		\$ 5,697,832	2.5%
Burnett	98	39	137		\$ 1,634,768	\$ 2,698,813		\$ 86,909		5.3%		\$ 5,060,560	1.7%		\$ 6,281,302	1.4%
Calumet	169	-	169		\$ 4,383,376	\$ 5,815,002		\$ 1,175,856		26.8%		\$ 6,906,281	17.0%		\$ 8,552,878	13.7%
Chippewa	283	38	321		\$ 6,337,339	\$ 9,270,925		\$ 622,309		9.8%		\$ 25,020,793	2.5%		\$ 31,136,257	2.0%
Clark	202	34	236		\$ 6,134,479	\$ 8,491,085		\$ 995,603		16.2%		\$ 10,419,585	9.6%		\$ 12,931,510	7.7%
Columbia	265	282	547		\$ 8,836,628	\$ 12,821,738		\$ 1,899,869		21.5%		\$ 15,107,634	12.6%		\$ 18,746,142	10.1%
Crawford	140	12	152		\$ 2,727,380	\$ 4,854,022		\$ 282,015		10.3%		\$ 7,701,083	3.7%		\$ 9,551,921	3.0%
Dane	1,825	563	2,388		\$ 77,938,499	\$ 106,530,117		\$ 20,231,841		26.0%		\$ 142,168,565	14.2%		\$ 176,611,204	11.5%
Dodge	243	124	367		\$ 7,028,437	\$ 11,062,472		\$ 1,141,031		16.2%		\$ 19,438,253	5.9%		\$ 24,188,751	4.7%
Door	137	24	161		\$ 2,390,166	\$ 4,142,711		\$ 469,710		19.7%		\$ 5,128,626	9.2%		\$ 6,346,928	7.4%
Douglas	376	134	510		\$ 8,892,604	\$ 14,606,061		\$ 957,959		10.8%		\$ 17,920,308	5.3%		\$ 22,181,957	4.3%
Dunn	149	22	171		\$ 4,833,657	\$ 7,592,782		\$ 803,999		16.6%		\$ 12,958,499	6.2%		\$ 16,120,871	5.0%
Eau Claire	332	62	394		\$ 11,294,955	\$ 17,237,625		\$ 1,598,744		14.2%		\$ 39,033,954	4.1%		\$ 48,641,945	3.3%
Florence	37	-	37		\$ 275,887	\$ 489,361		\$ 1,237		0.4%		\$ 1,366,065	0.1%		\$ 1,692,956	0.1%
Forest	86	13	99		\$ 1,555,066	\$ 2,564,037		\$ 103,606		6.7%		\$ 4,985,761	2.1%		\$ 6,191,942	1.7%
Grant	225	110	335		\$ 5,243,461	\$ 9,741,859		\$ 366,489		7.0%		\$ 17,134,587	2.1%		\$ 21,307,456	1.7%
Green	231	85	316		\$ 3,252,241	\$ 5,990,553		\$ 229,037		7.0%		\$ 6,940,997	3.3%		\$ 8,579,126	2.7%
Green Lake	79	43	122		\$ 2,671,561	\$ 4,038,261		\$ 629,275		23.6%		\$ 4,889,782	12.9%		\$ 6,077,673	10.4%
Iowa	78	23	101		\$ 1,593,028	\$ 2,949,724		\$ 97,686		6.1%		\$ 5,324,144	1.8%		\$ 6,618,689	1.5%
Iron	45	33	78		\$ 825,983	\$ 1,357,864		\$ 53,228		6.4%		\$ 2,307,680	2.3%		\$ 2,865,124	1.9%
Jackson	158	14	172		\$ 4,046,919	\$ 5,622,184		\$ 596,982		14.8%		\$ 5,760,886	10.4%		\$ 7,133,770	8.4%
Jefferson	494	156	650		\$ 12,889,194	\$ 20,396,447		\$ 2,043,220		15.9%		\$ 24,394,044	8.4%		\$ 30,274,352	6.7%
Juneau	105	95	200		\$ 2,292,267	\$ 3,895,248		\$ 869		0.0%		\$ 10,893,437	0.0%		\$ 13,580,086	0.0%
Kenosha	609	670	1,279		\$ 16,045,009	\$ 29,247,365		\$ 2,114,318		13.2%		\$ 44,064,337	4.8%		\$ 54,775,132	3.9%
Kewaunee	189	1	190		\$ 2,675,227	\$ 5,354,087		\$ 331,967		12.4%		\$ 3,579,086	9.3%		\$ 4,392,998	7.6%
Lafayette	83	27	110		\$ 1,705,048	\$ 2,729,558		\$ 304,968		17.9%		\$ 4,523,237	6.7%		\$ 5,612,840	5.4%
Langlade	184	2	186		\$ 2,773,195	\$ 4,556,584		\$ 442,860		16.0%		\$ 6,966,138	6.4%		\$ 8,631,944	5.1%
Lincoln	225	19	244		\$ 4,669,739	\$ 6,222,465		\$ 829,803		17.8%		\$ 8,107,791	10.2%		\$ 10,037,693	8.3%
Manitowoc	403	257	660		\$ 8,621,939	\$ 15,108,038		\$ 996,800		11.6%		\$ 23,407,572	4.3%		\$ 29,034,550	3.4%
Marathon	666	322	988		\$ 17,849,185	\$ 27,066,807		\$ 3,653,873		20.5%		\$ 33,271,396	11.0%		\$ 41,276,331	8.9%
Marinette	242	150	392		\$ 3,550,961	\$ 8,893,273		\$ 298,127		8.4%		\$ 15,109,386	2.0%		\$ 18,795,008	1.6%
Marquette	87	46	133		\$ 2,053,927	\$ 2,728,870		\$ 200,522		9.8%		\$ 3,121,109	6.4%		\$ 3,868,631	5.2%
Menominee	45	-	45		\$ 633,551	\$ 1,219,945		\$ -		0.0%		\$ 1,993,185	0.0%		\$ 2,465,922	0.0%
Milwaukee	2,368	1,635	4,003		\$ 73,252,949	\$ 126,148,371		\$ 7,217,247		9.9%		\$ 219,425,282	3.3%		\$ 273,914,817	2.6%
Monroe	223	94	317		\$ 4,786,472	\$ 7,290,103		\$ 678,944		14.2%		\$ 16,138,407	4.2%		\$ 20,043,039	3.4%

County Contributions Relative to LTC Program Costs, Current and Projected

(A)	(B)	(C)	(D)		(E)	(F)		(G)		(H)		(I)	(J)		(K)	(L)
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Oconto	135	133	268		\$ 6,585,556	\$ 9,146,056		\$ 1,574,896		23.9%		\$ 9,021,943	17.5%		\$ 11,223,462	14.0%
Oneida	260	33	293		\$ 4,337,313	\$ 7,654,422		\$ 386,461		8.9%		\$ 13,791,167	2.8%		\$ 17,110,774	2.3%
Outagamie	456	328	784		\$ 14,595,743	\$ 21,010,820		\$ 2,499,395		17.1%		\$ 48,590,715	5.1%		\$ 60,506,330	4.1%
Ozaukee	267	84	351		\$ 8,748,056	\$ 11,532,087		\$ 2,126,097		24.3%		\$ 8,762,575	24.3%		\$ 10,852,462	19.6%
Pepin	78	25	103		\$ 1,579,270	\$ 2,690,003		\$ 185,171		11.7%		\$ 2,624,149	7.1%		\$ 3,241,831	5.7%
Pierce	169	22	191		\$ 4,308,539	\$ 6,938,585		\$ 439,855		10.2%		\$ 10,450,189	4.2%		\$ 12,965,808	3.4%
Polk	165	88	253		\$ 4,042,423	\$ 6,196,410		\$ 474,655		11.7%		\$ 9,994,894	4.7%		\$ 12,432,746	3.8%
Price	131	47	178		\$ 2,707,338	\$ 4,118,165		\$ 306,737		11.3%		\$ 6,354,908	4.8%		\$ 7,879,842	3.9%
Racine	638	187	825		\$ 14,216,395	\$ 24,239,315		\$ 851,095		6.0%		\$ 49,268,667	1.7%		\$ 61,362,589	1.4%
Rock	866	272	1,138		\$ 22,435,934	\$ 34,580,847		\$ 3,670,348		16.4%		\$ 47,528,226	7.7%		\$ 58,993,360	6.2%
Rusk	152	152	304		\$ 2,766,780	\$ 5,792,272		\$ 409,080		14.8%		\$ 10,245,079	4.0%		\$ 12,709,694	3.2%
Sauk	356	199	555		\$ 7,730,831	\$ 12,410,240		\$ 1,377,502		17.8%		\$ 11,684,156	11.8%		\$ 14,454,612	9.5%
Sawyer	106	98	204		\$ 2,112,269	\$ 4,137,705		\$ 166,453		7.9%		\$ 6,857,749	2.4%		\$ 8,530,408	2.0%
Shawano	282	52	334		\$ 4,275,756	\$ 7,337,495		\$ 656,003		15.3%		\$ 9,592,722	6.8%		\$ 11,871,235	5.5%
Sheboygan	627	73	700		\$ 14,311,487	\$ 19,641,540		\$ 2,443,676		17.1%		\$ 26,162,452	9.3%		\$ 32,421,833	7.5%
St. Croix	230	138	368		\$ 10,401,328	\$ 14,626,601		\$ 2,564,379		24.7%		\$ 11,168,741	23.0%		\$ 13,857,782	18.5%
Taylor	165	16	181		\$ 2,365,780	\$ 3,879,964		\$ 173,719		7.3%		\$ 3,720,835	4.7%		\$ 4,588,891	3.8%
Trempealeau	265	66	331		\$ 4,353,169	\$ 6,908,695		\$ 483,359		11.1%		\$ 9,351,935	5.2%		\$ 11,557,747	4.2%
Vernon	129	66	195		\$ 3,083,224	\$ 5,033,816		\$ 552,039		17.9%		\$ 6,859,746	8.0%		\$ 8,532,712	6.5%
Vilas	158	136	294		\$ 2,330,225	\$ 5,058,335		\$ 152,965		6.6%		\$ 6,064,561	2.5%		\$ 7,496,774	2.0%
Walworth	420	140	560		\$ 7,965,985	\$ 14,606,106		\$ 1,370,435		17.2%		\$ 20,345,078	6.7%		\$ 25,216,954	5.4%
Washburn	158	86	244		\$ 3,125,718	\$ 5,462,145		\$ 637,470		20.4%		\$ 8,248,168	7.7%		\$ 10,222,881	6.2%
Washington	460	104	564		\$ 11,889,696	\$ 17,511,059		\$ 2,718,459		22.9%		\$ 20,696,974	13.1%		\$ 25,626,250	10.6%
Waukesha	953	519	1,472		\$ 27,055,936	\$ 40,856,280		\$ 3,883,789		14.4%		\$ 50,031,048	7.8%		\$ 62,061,047	6.3%
Waupaca	299	204	503		\$ 6,024,148	\$ 9,649,066		\$ 1,046,296		17.4%		\$ 18,173,394	5.8%		\$ 22,598,839	4.6%
Waushara	153	60	213		\$ 2,860,859	\$ 4,363,823		\$ 349,497		12.2%		\$ 7,693,685	4.5%		\$ 9,539,632	3.7%
Winnebago	718	396	1,114		\$ 21,820,019	\$ 33,589,179		\$ 5,121,844		23.5%		\$ 34,090,341	15.0%		\$ 42,272,685	12.1%
Wood	357	244	601		\$ 7,843,852	\$ 12,115,853		\$ 815,885		10.4%		\$ 14,893,486	5.5%		\$ 18,491,500	4.4%
TOTALS	22,136	10,139	32,275		\$ 588,745,916	\$ 926,555,649		\$ 95,700,855		16.3%		\$ 1,354,207,280	7.1%		\$ 1,682,911,006	5.7%
NOTES:																
1. The Proposed County Contribution is the amount determined by DHFS, using the method outlined in the Secretary's May 17, 2006, letter, including the amounts for Targeted Case Management.																
2. The cost of FC in 2005 dollars assumes full enrollment but no trend on program costs.																
3. The cost of FC in 2015 dollars assumes full enrollment and a 3% annual trend on all program costs.																